

Message Text

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PAGE 01 EC BRU 00753 252000Z
ACTION EUR-12

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FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00
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E.O. 11652: N/A
TAGS: EEC, EGEN, EREG
SUBJECT: REVISION OF EC REGIONAL POLICY AND REGIONAL DEVELOPMENT
FUND

REF: 76 ECA-390

1. THE EC COMMISSION HAS BEGUN WORK ON A REVISION OF THE EC
REGIONAL POLICY AND THE REGIONAL DEVELOPMENT FUND (REFTEL).
THE COMMISSION HOPES TO DEVELOP PROPOSALS BY MAY SO THAT THE
COUNCIL MAY PROCEED TO RENEGOTIATE THE ORIGINAL STATUTES
WHICH WILL RUN TO JANUARY 1978.

2. REGIONAL POLICY HAS TAKEN ON NEW SIGNIFICANCE IN THE
JENKINS COMMISSION WHICH ACKNOWLEDGES THAT ITS PRIMARY CON-
CERNS WILL BE THE INTERNAL DEVELOPMENT OF THE COMMUNITY AND
THE GROWING DIVERGENCIES BETWEEN NATIONAL ECONOMIES OF THE
NINE MEMBER STATES. IN THE NEW COMMISSION, RESPONSIBILITY
FOR COORDINATING ALL THE STRUCTURAL AID PROGRAMS, HERETOFORE
DEVELOPED INDEPENDENTLY, WILL GO TO THE COMMISSIONER IN
CHARGE OF REGIONAL POLIC, ANTONIO GIOLITTI. IN ADDITION
TO THE REGIONAL DEVELOPMENT FUND THIS INCLUDES THE
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PAGE 02 EC BRU 00753 252000Z

EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND
(EAGGF), THE SOCIAL FUND EUROPEAN COAL AND STEEL
COMMUNITY (ECSC) LOANS FOR INVESTMENTS, AND EUROPEAN
INVESTMENT BANK LOANS.

3. DISUSSIONS ON A NEW REGIONAL POLICY WITHIN THE
COMMISSION HAVE CENTERED ON HOW TO ENSURE THAT OTHER

COMMUNITY POLICIES TAKE ACCOUNT OF REGIONAL PROBLEMS; MECHANISMS FOR THE TRANSFER OF INVESTMENT RESOURCES AND ADVANCED TECHNOLOGY FROM STRONGER TO WEAKER REGIONS--BOTH WITHIN AND BETWEEN MEMBER STATES; THE POSSIBILITY OF A COMMUNITY-WIDE INFORMATION SYSTEM ON INVESTMENT OPPORTUNITIES; AND THE USE OF THE SERVICES SECTOR TO ENCOURAGE REGIONAL DEVELOPMENT. A MAJOR THRUST OF THE DISCUSSIONS WILL ALSO BE TO ENSURE THAT COMMUNITY FUNDS HAVE A COMPLEMENTARY EFFECT TO THAT OF THE FUNDS GRANTED BY MEMBER STATES AND THAT THEY HELP TO REINFORMCE INTERNATIONAL INVESTMENT FLOWS.

4. EC COMMISSION DIRECTOR FOR REGIONAL POLICY, DECASTELBAJAC, EXPRESSED MEASURED PESSIMISM IN DISCUSSION WITH MISSION OFFICER ON THE SUBJECT OF COMMUNITY'S EFFORT TO RENEGOTIATE THE EUROPEAN REGIONAL DEVELOPMENT FUND WHICH IS THE MAIN INSTRUMENT OF THE REGIONAL POLICY. COMMISSION OFFICIALS, HE SAID, WERE SEEKING TO IMPROVE THE FUND AND MAKE IT MORE FLEXIBLE IN OPERATION. THEY BELIEVE THAT THE ECONOMIC RECESSION REQUIRES AN OVERHAUL OF THE FUND TO COORDINATE BETTER WITH NATIONAL AND SECTORAL POLICIES, BUT THEY ARE HESITANT TO UNDERTAKE AN INCREASE OF COMMUNITY FINANCIAL EFFORTS SINCE THIS WOULD CONSTITUTE THE MINIMUM OF WHAT THE EC WOULD HAVE TO OFFER TO SPAIN, GREECE AND PROTUGAL WHEN THEY JOIN THE COMMUNITY. DE CASTELBAJAC SAID THAT WHILE HE WAS UNDER INSTRUCTIONS TO CONSIDER THE RENEGOTIATION ONLY IN THE CONTEXT OF THE NINE, THE COMMISSION FELT KEENLY THE PRESENCE OF LIMITED OFFICIAL USE

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PAGE 03 EC BRU 00753 252000Z

THE FUTURE MEMBERS IN ITS DELIBERATIONS.

5. THE ALSO SAID THAT GERMANS IN PARTICULAR WERE BECOMING STINGY ON QUESTION OF ADDITIONAL FUTURE CREDITS AND BEGINNING TO SUGGEST THAT THESE SHOULD BE CONDITIONAL ON ACCEPTANCE OF COMMISSION RECOMMENDATIONS RE NATIONAL ECONOMIC POLICIES. MAJOR FUND RECIPIENTS, UK, ITALY AND IRELAND ARE, OF COURSE, OPPOSED TO THIS VIEW AND FRANCE, WHICH ALSO IS A LARGE NET BENEFICIARY OF THE PROGRAM, HAS SUPPORTED THEM DENOUNCING THE IDEA AS AN ATTACK ON NATIONAL SOVEREIGNTY. HINTON

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Copy: SINGLE
Sent Date: 25-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Approved on Date:
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